

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA

DOCKET NO. 2005-125-G

In the Matter Of

Notice of Election of Piedmont Natural Gas
Company, Inc. for Application of the Natural
Gas Rate Stabilization Act to its Rates and
Charges

NOTICE OF FILING OF QUARTERLY
MONITORING REPORT AND
PROPOSED RATE CHANGES

Piedmont Natural Gas Company, Inc. ("Piedmont"), through counsel and pursuant to Sections 58-5-430 and 58-5-440 of the South Carolina Natural Gas Rate Stabilization Act ("Act"), hereby submits (1) its quarterly monitoring report for the twelve-month period ending March 31, 2010, and (2) the required revenue deficiency calculations and proposed changes to its tariff rates necessary to permit Piedmont the opportunity to earn the rate of return on common equity established in its last general rate case as specified in Section 58-5-420(1). Piedmont requests that the Public Service Commission of South Carolina ("Commission") review and accept the attached documents consistent with Sections 58-5-430 and 58-5-440 and issue an initial order approving the proposed rate changes set forth in this filing on or before October 15, 2010 in conformance with the procedures set forth in Section 58-5-455 of the Act.

In support of this filing, Piedmont respectfully shows unto the Commission as follows:

1. Any notices or other communications with respect to this matter should be sent to:

Jane Lewis-Raymond
Vice President and General Counsel
Piedmont Natural Gas Company, Inc.
P.O. Box 33068
Charlotte, NC 28233
Telephone: (704) 731-4261

And

James H. Jeffries IV¹
Moore & Van Allen PLLC
Bank of America Corporate Center
100 North Tryon Street, Suite 4700
Charlotte, North Carolina 28202-4003
Telephone: (704) 331-1079

And

Jeremy C. Hodges
Nelson Mullins Riley & Scarborough, LLP
1320 Main Street, Suite 1700
Columbia, South Carolina 29201
Telephone: (803) 255-9766

2. On April 25, 2005, Piedmont provided notice to the Commission of its election of the application of the terms of the Act to Piedmont's rates and charges for gas distribution services provided within the state of South Carolina. In conjunction with its election and as required by Sections 58-5-410 and 58-5-420, Piedmont requested that the Commission make findings and establish ongoing procedures as required to make prospective adjustments to Piedmont's base rates utilizing the rates, charges, revenues, expenses, capital structure, returns, and other matters established in Piedmont's most recent general rate proceeding in Docket No. 2002-63-G.

3. Consistent with its prior election for application of the Act to its rates and charges, and pursuant to the requirements of Section 58-5-430 of the Act, Piedmont has attached hereto various schedules constituting its quarterly monitoring report to the Commission for the twelve-month period ended March 31, 2010. In conformance with the requirements of Section 58-5-440 of the Act, Piedmont has also included in the schedules attached hereto the calculated revenue deficiency resulting from Piedmont's current rates. This deficiency results in a return on common equity under existing rates that is approximately 100 basis points below that approved in Piedmont's last general rate case. The attached schedules also reflect

¹ Mr. Jeffries has been previously admitted to practice before this Commission in this docket *pro hac vice* in conformance with the rules of the South Carolina Supreme Court.

proposed rate revisions, calculated in conformance with the rate allocation principles approved in Piedmont's last general rate case, needed to return Piedmont's rate of return on common equity to the midpoint of the range specified by Section 58-5-420(1).

4. The Schedules attached hereto and incorporated herein by reference consist of the following:

- (1) Present Rate Schedules are incorporated herein by reference as filed in GCRM-128 effective as of the first billing cycle in April, 2010;
- (2) Proposed Rate Schedules;
- (3) Gas Plant at Original Cost;
- (4) Depreciation Schedule;
- (5) Materials and Supplies;
- (6) Cash Working Capital;
- (7) Net Operating Income and Return;
- (8) Pro Forma Revenues;
- (9) Proposed Revenues;
- (10) WNA Factors.

5. The *pro forma* revenue calculations shown on Schedule (7) indicate that after taking into account a reduction of \$923,357 in annual demand gas costs and commodity costs related to a reduction in the benchmark LAUF rate, \$1,833,932 in additional margin is required to permit Piedmont the opportunity to earn a rate of return on equity equal to the approved rate of return on equity adopted in Docket No. 2002-63-G, Piedmont's last general rate case, and to recover one-hundred percent (100%) of its prudently incurred demand gas costs.

6. Based upon the calculations provided in Schedules (3)-(10), Piedmont proposes the changes to its tariff rates reflected in Schedule (2) hereto.

7. The rate/revenue increases proposed herein reflect a 0.77% overall increase in rates from the base rates approved in Commission Order No. 2009-722 (dated October 13, 2009).

8. Consistent with the requirements of Sections 58-5-430 and 58-5-455, Piedmont is concurrently serving copies of this filing on the Office of Regulatory Staff, all parties of record to this proceeding and any other interested party that has requested in writing to receive such filings.

WHEREFORE, Piedmont Natural Gas Company, Inc. respectfully requests that the Commission accept and review Piedmont's quarterly monitoring report for the twelve-month period ended March 31, 2010 and issue an Initial Order approving Piedmont's proposed rate adjustments on or before October 15, 2010.

Respectfully submitted, this the 15th day of June, 2010

PIEDMONT NATURAL GAS COMPANY, INC.

s/ James H. Jeffries IV
James H. Jeffries IV

OF COUNSEL:

Moore & Van Allen PLLC
Bank of America Corporate Center
100 North Tryon Street, Suite 4700
Charlotte, North Carolina 28202-4003
(704) 331-1079

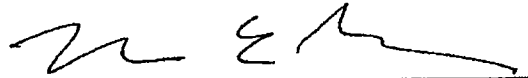
s/ Jeremy C. Hodges
Jeremy C. Hodges

OF COUNSEL:

Nelson Mullins Riley & Scarborough, LLP
1320 Main Street, Suite 1700
Columbia, South Carolina 29201
(803) 255-9766

CERTIFICATION

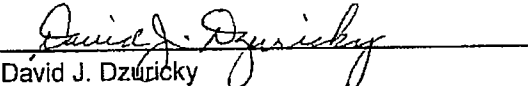
I, Thomas E. Skains and David J. Dzuricky, state and attest, under penalty of perjury, that the attached Quarterly Monitoring Report is filed on behalf of Piedmont Natural Gas Company, Inc. as required by the Public Service Commission of South Carolina; That I have reviewed said report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information and representations provided therein; and that, to the best of my knowledge, information and belief, all information contained therein is accurate and true and contains no false, fictitious, fraudulent or misleading statements; that no material information or fact has been knowingly omitted or misstated therein, and that all information contained therein has been prepared and presented in accordance with all applicable South Carolina general statutes, Commission rules and regulations, and applicable Commission Orders. Any violation of this Certification may result in the Commission initiating a formal earnings review proceeding.



Thomas E. Skains
President and CEO

6/11/10

Date Signed

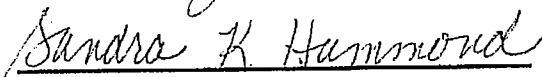


David J. Dzuricky
Senior Vice President and CFO

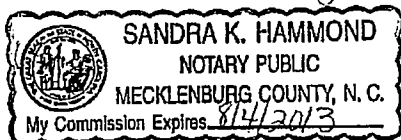
6/11/10

Date Signed

Subscribed and Sworn to before me this
11th day of June, 2010.


Notary Public

My Commission Expires August 4, 2013



STATE OF NORTH CAROLINA
COUNTY OF MECKLENBURG

VERIFICATION

Pia K. Powers, being duly sworn, deposes and says that she is Manager – Regulatory Affairs of Piedmont Natural Gas Company, Inc., that as such, she has read the foregoing Notice of Filing of Quarterly Monitoring Report and Proposed Rate Changes and knows the contents thereof; that the same are true of her own knowledge except as to those matters stated on information and belief and as to those she believes them to be true.

Pia K. Powers

Pia K. Powers

Mecklenburg County, North Carolina
Signed and sworn to before me this day by Pia K. Powers

Date: *June 8, 2010*

Sandra K. Hammond
Sandra K. Hammond, Notary Public

(Official Seal)

My commission expires: August 4, 2013



Piedmont Natural Gas
Index to Schedules
Period Ending March 31, 2010

- SCHEDULE 1 - Present Rate Schedules are incorporated herein by reference as filed in GCRM-128 effective as of the first billing cycle in April, 2010.
- SCHEDULE 2 - Proposed Rate Schedules.
- SCHEDULE 3 - Gas Plant at Original Cost.
- SCHEDULE 4 - Depreciation Schedule.
- SCHEDULE 5- Materials and Supplies.
- SCHEDULE 6 - Cash Working Capital.
- SCHEDULE 7 - Net Operating Income and Return.
- SCHEDULE 8 - Pro Forma Revenues.
- SCHEDULE 9 - Proposed Revenues.
- SCHEDULE 10 - WNA Factors.

SCHEDULE 1

**(Incorporated herein by reference as filed in GCRM-128
effective as of the first billing cycle in April, 2010)**

SCHEDULE 2

Piedmont Natural Gas Company, Inc.
Quarterly Rate Stabilization Filing
12-Months Ending March 31, 2010

South Carolina
Rate Schedules:

		<u>Current Billing Rates</u>	<u>Change</u>	<u>Proposed Billing Rates</u>
201	Residential Service - Value			
	Monthly Charge-winter	10.00	-	10.00
	Monthly Charge-summer	8.00	-	8.00
	Winter (Nov.-Mar.)	1.00730	0.01419	1.02149
	Summer (Apr.-Oct.)	0.95936	0.01222	0.97158
221	Residential Service - Standard			
	Monthly Charge-winter	10.00	-	10.00
	Monthly Charge-summer	8.00	-	8.00
	Winter (Nov.-Mar.)	1.21844	0.00991	1.22835
	Summer (Apr.-Oct.)	1.22337	0.00663	1.23000
205	Outdoor Gas Light Service			
	Monthly Charge	\$15.00	-	15.00
202	Small General Service-Standard			
	Monthly Charge	22.00	-	22.00
	Winter (Nov.-Mar.)	1.12009	0.00499	1.12508
	Summer (Apr.-Oct.)	1.08293	0.00510	1.08803
232	Small General Service-Value			
	Monthly Charge	22.00	-	22.00
	Winter (Nov.-Mar.)			
	First 2,000	1.05596	0.00645	1.06241
	Over 2,000	1.02387	0.00740	1.03127
	Summer (Apr.-Oct.)			
	First 2,000	0.95409	0.00810	0.96219
	Over 2,000	0.92517	0.00859	0.93376
252	Medium General Service-Standard			
	Monthly Charge	75.00	-	75.00
	Winter (Nov.-Mar.)	1.09450	0.00517	1.09967
	Summer (Apr.-Oct.)	1.05151	0.00354	1.05505
262	Medium General Service-Value			
	Monthly Charge	75.00	-	75.00
	Winter (Nov.-Mar.)			
	First 5,000	1.02064	0.00733	1.02797
	Over 5,000	0.98408	0.00821	0.99229
	Summer (Apr.-Oct.)			
	First 5,000	0.92213	0.00886	0.93099
	Over 5,000	0.89576	0.00939	0.90515
242	Small General Service-Motor Fuel			
	Monthly Charge	22.00	-	22.00
	Winter (Nov.-Mar.)	0.82996	0.00071	0.83067
	Summer (Apr.-Oct.)	0.81674	(0.02048)	0.79626

Piedmont Natural Gas Company, Inc.
Quarterly Rate Stabilization Filing
12-Months Ending March 31, 2010

South Carolina
Rate Schedules:

	<u>Current Billing Rates</u>	<u>Change</u>	<u>Proposed Billing Rates</u>
203 Large General Sales Service			
Monthly Charge	\$250.00	-	250.00
Billing Demand (therms)	1.90000	(0.10157)	1.79843
Winter (Nov.-Mar.)			
First 15,000	0.84412	(0.00785)	0.83627
Next 15,000	0.77247	(0.00689)	0.76558
Next 75,000	0.73305	(0.00723)	0.72582
Next 165,000	0.65599	(0.00219)	0.65380
Next 330,000	0.60067	(0.00219)	0.59848
Over 600,000	0.57210	(0.00219)	0.56991
Summer (Apr.-Oct.)			
First 15,000	0.75069	(0.00543)	0.74526
Next 15,000	0.70207	(0.00571)	0.69636
Next 75,000	0.71001	(0.01021)	0.69980
Next 165,000	0.63742	(0.00219)	0.63523
Next 330,000	0.59567	(0.00219)	0.59348
Over 600,000	0.57210	(0.00219)	0.56991
204 Interruptible Sales Service			
Monthly Charge	\$250.00	-	250.00
Winter (Nov.-Mar.)			
First 15,000	0.92494	(0.01226)	0.91268
Next 15,000	0.84951	(0.01375)	0.83576
Next 75,000	0.79942	(0.02106)	0.77836
Next 165,000	0.82295	(0.02459)	0.79836
Next 330,000	0.69911	(0.00219)	0.69692
Over 600,000	0.61210	(0.00219)	0.60991
Summer (Apr.-Oct.)			
First 15,000	0.76567	(0.00589)	0.75978
Next 15,000	0.71687	(0.00657)	0.71030
Next 75,000	0.69027	(0.00835)	0.68192
Next 165,000	0.66430	(0.00219)	0.66211
Next 330,000	0.61067	(0.00219)	0.60848
Over 600,000	0.58210	(0.00219)	0.57991

Piedmont Natural Gas Company, Inc.
Quarterly Rate Stabilization Filing
12-Months Ending March 31, 2010

South Carolina
Rate Schedules:

	<u>Current Billing Rates</u>	<u>Change</u>	<u>Proposed Billing Rates</u>
213 Large General Transportation Service			
Monthly Charge	\$250.00	-	250.00
Standby Demand	1.30000	(0.09809)	1.20191
Billing Demand (therms)	0.60000	(0.00348)	0.59652
Winter (Nov.-Mar.)			
First 15,000	0.25293	(0.00317)	0.24976
Next 15,000	0.18601	(0.00296)	0.18305
Next 75,000	0.13962	(0.00304)	0.13658
Next 165,000	0.09599	(0.00260)	0.09339
Next 330,000	0.04067	(0.00219)	0.03848
Over 600,000	0.01210	(0.00219)	0.00991
Summer (Apr.-Oct.)			
First 15,000	0.18213	(0.00388)	0.17825
Next 15,000	0.13379	(0.00386)	0.12993
Next 75,000	0.10787	(0.00382)	0.10405
Next 165,000	0.07466	(0.00314)	0.07152
Next 330,000	0.03567	(0.00219)	0.03348
Over 600,000	0.01210	(0.00219)	0.00991
214 Interruptible Transportation Service			
Monthly Charge	\$250.00	-	250.00
Winter (Nov.-Mar.)			
First 15,000	0.25242	(0.00292)	0.24950
Next 15,000	0.18537	(0.00268)	0.18269
Next 75,000	0.13682	(0.00245)	0.13437
Next 165,000	0.08861	(0.00232)	0.08629
Next 330,000	0.04159	(0.00222)	0.03937
Over 600,000	0.01210	(0.00219)	0.00991
Summer (Apr.-Oct.)			
First 15,000	0.18152	(0.00345)	0.17807
Next 15,000	0.13229	(0.00316)	0.12913
Next 75,000	0.10174	(0.00281)	0.09893
Next 165,000	0.07113	(0.00252)	0.06861
Next 330,000	0.05602	(0.00226)	0.05376
Over 600,000	0.01210	(0.00219)	0.00991

SCHEDULE 3

Schedule 3

Piedmont Natural Gas Company
Original Cost of Property Used and Useful
in Public Service in South Carolina
March 31, 2010

<u>Line No.</u>	<u>Title of Account</u>	
1	Intangible Plant	\$146,199
2	Production Plant	28,042
3	Local Storage Plant	6,574,794
4	Transmission Plant	40,508,422
5	Distribution Plant	307,705,304
6	General Plant	<u>32,101,296</u>
7	Total	<u><u>\$387,064,056</u></u>

SCHEDULE 4

Piedmont Natural Gas Company
 South Carolina Operations
 Accumulated Depreciation, Depreciation Policy and Rates
 March 31, 2010

Accumulated Depreciation

Per books as of March 31, 2010

\$158,262,732

Depreciation Policy

Piedmont computes depreciation expense monthly using the straight-line method applied to end-of-the-month depreciable costs.

The Company began booking depreciation expense at the depreciation rates recommended in a depreciation study performed in 2005. These depreciation rates were approved as a result of the Commission's findings in Docket No. 2005-125-G, Order No. 2005-567.

Piedmont allocates depreciation expense on the LNG plant located in North Carolina between South Carolina and North Carolina on the basis of design-day demand during the test period. We allocate depreciation expense on other jointly-used property between South Carolina, North Carolina and Tennessee or between South Carolina and North Carolina only, on the basis of net plant depending upon the actual usage of the property.

Piedmont computes depreciation expense on transportation equipment over estimated useful lives after deducting from the original cost an estimated salvage value of 25% for passenger cars and 20% for trucks and heavy equipment.

Depreciation Rates

Based on plant in service as of March 31, 2010, the current composite depreciation rates are:

Intangible Plant	20.00%
Production Plant	2.62%
Local Storage Plant	1.92%
Transmission Plant	2.09%
Distribution Plant	3.00%
General Plant	7.81%

SCHEDULE 5

Schedule 5

Piedmont Natural Gas Company
South Carolina Operations
Average Materials and Supplies
March 31, 2010

Line
No.

1	Operating and Construction Supplies (a)	\$ 654,179
2	Natural Gas Stored (b)	<u>14,536,530</u>
3	Total	<u>\$15,190,710</u>

(a) Includes Materials Distribution Center inventory allocated to South Carolina on the ratio of South Carolina net plant before joint property to total South Carolina and North Carolina net plant before joint property as of October 31, 2009 (14.55% to SC).

(b) Allocated to South Carolina on the basis of design day in South Carolina and North Carolina. (16.01% to SC).

SCHEDULE 6

Piedmont Natural Gas Company
 South Carolina Operations
 Cash Working Capital
 March 31, 2010

Line
No.

1	One-Eighth (12.5%) of Operations and Maintenance Expenses	\$ 3,430,672
2	Cash Working Funds (a)	32,792
3	Prepayments (b)	332,283
4	Average Tax Accruals (deduct)	<u>(1,780,557)</u>
5	Total	<u><u>\$2,015,191</u></u>

(a) A portion allocated to South Carolina on the ratio of South Carolina net plant before joint property to total net plant before joint property as of March 31, 2010 (11.98% to SC) and a portion on the ratio of South Carolina net plant before joint property to total South Carolina and North Carolina net plant before joint property (14.46% to SC).

(b) Allocated to South Carolina on the ratio of South Carolina net plant before joint property to total net plant before joint property as of March 31, 2010 (11.98% to SC).

SCHEDULE 7

Piedmont Natural Gas Company
South Carolina Operations
Updated Net Operating Income and Rate of Return
For the Twelve Months Ended March 31, 2010

	(1) Per Books	(2) Accounting and Pro Forma Adjustments	(3) After Accounting and Pro Forma Adjustments	(4) Adjustments for Proposed Margin	(5) Adjustments for Demand and Commodity Cost	(6) After Adjustments for Proposed Rates
<u>Operating Revenues</u>						
1 Sale and Transportation of Gas	\$187,815,336	\$ (16,543,721) (1)	\$171,271,615	\$ 1,833,932 (11)	(\$923,357) (16)	\$172,182,190
2 Other Operating Revenues	867,306	0	867,306			867,306
3 Total Operating Revenues	<u>\$188,682,642</u>	<u>\$ (16,543,721)</u>	<u>\$172,138,921</u>	<u>\$ 1,833,932</u>	<u>\$ (923,357)</u>	<u>\$173,049,496</u>
<u>Operating Expenses</u>						
4 Cost of Gas	\$118,713,478	\$ (19,898,053) (2)	\$ 98,815,425	\$ -	\$ (918,380) (17)	\$ 97,897,045
5 Operations and Maintenance	27,445,379	(665,807) (3)	26,779,572	9,938 (12)	(4,977) (18)	26,784,534
6 Depreciation	12,000,768	596,650 (4)	12,597,418	-	-	12,597,418
7 General Taxes	6,984,689	(88,937) (5)	6,895,752	-	-	6,895,752
8 State Income Taxes	1,267,481	(202,705) (6)	1,064,776	91,200 (13)	-	1,155,976
9 Federal Income Taxes	5,838,036	1,219,926 (7)	7,057,962	606,478 (14)	-	7,664,440
10 Amortization of Investment Tax Credits	(31,677)	-	(31,677)	-	-	(31,677)
11 Total Operating Expenses	<u>\$172,218,154</u>	<u>\$ (19,038,926)</u>	<u>\$153,179,228</u>	<u>\$ 707,616</u>	<u>\$ (923,357)</u>	<u>\$152,963,487</u>
12 Net Operating Income	\$ 16,464,488	\$ 2,495,205	\$ 18,959,693	\$ 1,126,315	\$ (0)	\$ 20,086,009
13 Interest on Customers' Deposits	(138,597)		(138,597)			(138,597)
14 Amortization of Debt Redemption Premium	(6,363)	20 (8)	(6,342)			(6,342)
15 Allowance for Funds Used During Construction	29,764		29,764			29,764
16 Customer Growth	73,467	11,228 (9)	84,695	5,068 (15)		89,763
17 Net Operating Income for Return	<u>\$ 16,422,759</u>	<u>\$ 2,506,454</u>	<u>\$ 18,929,213</u>	<u>\$ 1,131,384</u>	<u>\$ (0)</u>	<u>\$ 20,060,597</u>
<u>Original Cost Rate Base</u>						
18 Plant in Service	\$387,064,056		\$387,064,056			\$387,064,056
19 Accumulated Depreciation	(158,262,732)		(158,262,732)			(158,262,732)
20 Net Plant in Service	<u>\$228,801,324</u>		<u>\$228,801,324</u>			<u>\$228,801,324</u>
Add:						
21 Construction Work in Progress	3,000,099		3,000,099			3,000,099
22 Materials and Supplies	15,190,710		15,190,710			15,190,710
23 Cash Working Capital	2,015,191	(116,018) (10)	1,899,173			1,899,173
Deduct:						
24 Customers' Advances	-		-			-
25 Customers' Deposits	4,290,902		4,290,902			4,290,902
26 Accumulated Deferred Income Taxes	47,636,510		47,636,510			47,636,510
27 Unclaimed Funds	346,516		346,516			346,516
28 Original Cost Rate Base	<u>\$196,733,395</u>	<u>\$ (116,018)</u>	<u>\$196,617,377</u>			<u>\$196,617,377</u>
<u>Rate of Return</u>						
29 On Original Cost Rate Base	<u>8.35%</u>		<u>9.63%</u>			<u>10.20%</u>

		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Piedmont Natural Gas Company South Carolina Operations Return on Common Equity and Original Cost Net Investment <u>For the Twelve Months Ended March 31, 2010</u>				After Accounting and Pro Forma Adjustments					
	<u>Per Books</u>		Accounting and Pro Forma <u>Adjustments</u>	<u>Adjusted Capitalization</u>	<u>Ratio</u>	<u>Cost Net Investment</u>	<u>Embedded Cost</u>	<u>Overall Cost Rate</u>	<u>Net Operating Income</u>
1	Long-Term Debt	\$ 723,374,320	\$ -	\$ 723,374,320	41.79%	\$ 82,168,627	6.86%	2.87%	\$5,640,055
2	Common Equity	<u>1,007,553,494</u>	<u>-</u>	<u>\$ 1,007,553,494</u>	<u>58.21%</u>	<u>114,448,750</u>	11.61%	<u>6.76%</u>	<u>13,289,158</u>
3	Total	\$ <u>1,730,927,814</u>	\$ <u>-</u>	<u>\$ 1,730,927,814</u>	<u>100.00%</u>	<u>\$196,617,377</u>		<u>9.63%</u>	<u>\$18,929,213</u>

Piedmont Natural Gas Company
South Carolina Operations
Accounting and Pro Forma Adjustments
Twelve Months Ended March 31, 2010

Schedule 7
Page 3 of 5

Line
No.

1	<u>Operating Revenues - Sale and Transportation of Gas</u> To decrease revenues to the going-level basis.	<u>\$ (16,543,721)</u>
2	<u>Cost of Gas</u> To decrease cost of gas to the going-level basis.	<u>\$ (19,898,053)</u>
3	<u>Operations and Maintenance Expenses</u>	
A	To decrease payroll costs to the going-level basis.	\$ (74,514)
B	To decrease expenses for the salary and payroll investment plans.	(15,940)
C	To increase expenses for pension costs.	206,366
D	To decrease expenses for the provision for uncollectible accounts to reflect actual net write-offs over a three-year period.	(238,023)
E	To decrease expenses for allocations to non-utility activities.	(19,386)
F	To increase expenses for the long-term incentive plan.	46,364
G	To decrease expenses for the short-term incentive plan.	(279,275)
H	To decrease expenses for the MVP incentive plan.	(273,305)
I	To decrease expenses for group insurance for projected costs.	(5,225)
J	To increase expenses for Piedmont Town Center lease.	5,857
K	To increase expenses for Piedmont Town Center CAM Expenses.	1,194
L	To increase expense for amortization of early retirement incentive.	151,229
M	To increase expenses for the South Carolina assessment fee.	11,716
N	To decrease expenses for non-allowables for ratemaking purposes.	(151,715)
O	To decrease expense for GTI Payment that should be NC only.	(31,150)
P	To decrease expense for the Stock Rescission Fees.	-
	Total	<u>\$ (665,807)</u>
4	<u>Depreciation Expense</u> To increase depreciation expense to the going-level basis using the most current depreciation study rates.	<u>\$ 596,650</u>
5	<u>General Taxes</u>	
A	To decrease property taxes to the going-level basis.	\$ (24,011)
B	To decrease payroll taxes to the going-level basis.	(64,926)
	Total	<u>\$ (88,937)</u>

Piedmont Natural Gas Company
South Carolina Operations
Accounting and Pro Forma Adjustments
Twelve Months Ended March 31, 2010

Schedule 7

Page 4 of 5

Line
No.

6	<u>State Income Taxes</u> To decrease state income taxes (rate of 5%) to reflect the impact on income after accounting and pro forma adjustments.	<u>\$ (202,705)</u>
7	<u>Federal Income Taxes</u> To increase federal income taxes (rate of 35%) to reflect the impact on income after accounting and pro forma adjustments.	<u>\$ 1,219,926</u>
8	<u>Amortization of Debt Redemption Premium</u> To increase net operating income for amortization of debt redemption premium.	<u>\$ 20</u>
9	<u>Customer Growth</u> To increase net operating income to reflect anticipated customer growth (rate of .4500%) following the adjustments to operating revenues and expenses.	<u>\$ 11,228</u>
10	<u>Cash Working Capital</u> To decrease cash working capital following the pro forma adjustments to operations and maintenance expenses (rate of 12.5%).	<u>\$ (116,018)</u>
11	<u>Operating Revenues - Sale and Transportation of Gas</u> To increase revenue requirement for the sale and transportation of gas for the proposed margin increase.	<u>\$ 1,833,932</u>
12	<u>Operations and Maintenance Expenses</u>	
A	To increase the provision for uncollectible accounts (rate of .24264%) following the adjustment to operating revenues.	\$ 4,450
B	To increase the utility license fee (rate of .30%) following the adjustment to operating revenues.	<u>5,488</u>
	Total	<u>\$ 9,938</u>

Piedmont Natural Gas Company
South Carolina Operations
Accounting and Pro Forma Adjustments
Twelve Months Ended March 31, 2010

Schedule 7
Page 5 of 5

Line
No.

13	<u>State Income Taxes</u> To increase state income taxes (rate of 5%) to reflect the impact on income from the adjustments to operating revenues and expenses.	<u>\$ 91,200</u>
14	<u>Federal Income Taxes</u> To increase federal income taxes (rate of 35%) to reflect the impact on income from the adjustments to operating revenues, expenses and state income taxes.	<u>\$ 606,478</u>
15	<u>Customer Growth</u> To increase net operating income to reflect anticipated customer growth (rate of .4500%) following the adjustments to operating revenues and expenses.	<u>\$ 5,068</u>
16	<u>Operating Revenues - Sale and Transportation of Gas</u> To decrease revenue requirement for the sale and transportation of gas associated with the demand and commodity cost over-recovery.	<u>\$ (923,357)</u>
17	<u>Cost of Gas</u>	
A	To decrease cost of gas for the demand cost over-recovery.	(512,264)
B	To decrease cost of gas for the commodity cost over-recovery.	(406,116)
		<u>(\$918,380)</u>
18	<u>Operations and Maintenance Expenses</u>	
A	To decrease the provision for uncollectible accounts (rate of .24264%) following the adjustment to operating revenues.	\$ (2,228)
B	To decrease the utility license fee (rate of .30%) following the adjustment to operating revenues.	<u>(2,748)</u>
	Total	<u>\$ (4,977)</u>

SCHEDULE 8

TST PD 3/31/2010

PIEDMONT NATURAL GAS COMPANY, INC.
PRO FORMA REVENUE CALCULATIONS

(dekatherms) Rate Schedule	Test Period Actual (1)	Normalized Adjustment (2)	Proforma Dekatherms (3)	Proforma Bills (4)	Current Margin Rate (5)	Current Demand Rate (6)	Current Commodity Rate (7)	Total Current Rates (8)	Total Proforma Revenue (9)
Residential Service - Value 201									
Bills - Winter	192,497			192,497	\$10.00			\$10.00	\$1,924,970
Bills - Summer	293,959			293,959	\$8.00			\$8.00	\$2,351,672
DTs - Winter	2,481,112	(259,148)	2,221,964		\$4.1248	\$0.2272	\$5.7210	\$10.0730	\$22,381,843
DTs - Summer	854,470	15,194	869,664		\$3.6451	\$0.2275	\$5.7210	\$9.5936	\$8,343,209
Residential Service - Standard 221									
Bills - Winter	394,595			394,595	\$10.00			\$10.00	\$3,945,950
Bills - Summer	513,726			513,726	\$8.00			\$8.00	\$4,109,808
DTs - Winter	3,837,633	(451,540)	3,386,093		\$4.1248	\$2.3386	\$5.7210	\$12.1844	\$41,257,512
DTs - Summer	736,436	30,533	766,969		\$3.6451	\$2.8676	\$5.7210	\$12.2337	\$9,382,869
<u>TOTAL RESIDENTIAL</u>									
Bills	1,394,777			1,394,777					
DTs	7,909,651	(664,961)	7,244,690						\$93,697,833
Small General Service - Standard 202									
Bills	118,205			118,205	\$22.00			\$22.00	\$2,600,510
DTs - Winter	1,941,525	(219,409)	1,722,116		\$3.3266	\$2.1533	\$5.7210	\$11.2009	\$19,289,249
DTs - Summer	323,456	(5,193)	318,263		\$3.2077	\$1.9006	\$5.7210	\$10.8293	\$3,446,566
Small General Service - Value 232									
Bills	48,251			48,251	\$22.00			\$22.00	\$1,061,522
First 200	1,058,277	(52,296)	1,005,981		\$3.3266	\$1.5120	\$5.7210	\$10.5596	\$10,622,757
Over 200	287,863	(14,226)	273,637		\$3.3266	\$1.1911	\$5.7210	\$10.2387	\$2,801,687
DTs - Winter	1,346,140	(66,522)	1,279,618						
First 200	1,042,558	(1,918)	1,040,640		\$3.2077	\$0.6122	\$5.7210	\$9.5409	\$9,928,642
Over 200	111,138	(204)	110,934		\$3.2077	\$0.3230	\$5.7210	\$9.2517	\$1,026,328
DTs - Summer	1,153,696	(2,122)	1,151,574						
Medium General Service - Standard 252									
Bills	138			138	\$75.00			\$75.00	\$10,350
DTs - Winter	84,750	(10,883)	73,867		\$3.3266	\$1.8974	\$5.7210	\$10.9450	\$808,474
DTs - Summer	11,588	929	12,517		\$3.2077	\$1.5864	\$5.7210	\$10.5151	\$131,618
Medium General Service - Value 262									
Bills	992			992	\$75.00			\$75.00	\$74,400
First 500	182,384	(10,811)	171,573		\$3.3266	\$1.1588	\$5.7210	\$10.2064	\$1,751,143
Over 500	248,057	(14,703)	233,354		\$3.3266	\$0.7932	\$5.7210	\$9.8408	\$2,296,390
DTs - Winter	430,441	(25,514)	404,927						
First 500	236,780	5,061	241,841		\$3.2077	\$0.2926	\$5.7210	\$9.2213	\$2,230,088
Over 500	165,725	3,543	169,268		\$3.2077	\$0.0289	\$5.7210	\$8.9576	\$1,516,235
DTs - Summer	402,505	8,604	411,109						

TST PD 3/31/2010

PIEDMONT NATURAL GAS COMPANY, INC.
PRO FORMA REVENUE CALCULATIONS

(dekatherms)	Test Period Actual	Normalized Adjustment	Proforma Dekatherms	Proforma Bills	Current Margin Rate	Current Demand Rate	Current Commodity Rate	Total Current Rates	Total Proforma Revenue
Rate Schedule	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Small General Service - Motor Fuel 242									
Bills	25			25	\$22.00			\$22.00	\$550
DTs - Winter	3,760		3,760		\$1.1881	\$1.3905	\$5.7210	\$8.2996	\$31,206
DTs - Summer	468		468		\$1.1881	\$1.2583	\$5.7210	\$8.1674	\$3,822
TOTAL COMMERCIAL									
Bills	167,611			167,611					
DTs	5,698,329	(320,110)	5,378,219						\$59,631,537
Large General Service - Sales 203									
Bills	121			121	\$250.00			\$250.00	\$30,250
Demand DTs	23,533	0		23,533	\$5.0000	\$14.0000	\$0.0000	\$19.0000	\$447,127
First 1,500	67,227	0	67,227		\$1.8569	\$0.8633	\$5.7210	\$8.4412	\$567,477
Next 1,500	39,386	0	39,386		\$1.2998	\$0.7039	\$5.7210	\$7.7247	\$304,245
Next 7,500	27,279	0	27,279		\$0.9285	\$0.6810	\$5.7210	\$7.3305	\$199,969
Next 16,500	0	0	0		\$0.5571	\$0.2818	\$5.7210	\$6.5599	\$0
Next 33,000	0	0	0		\$0.1857	\$0.1000	\$5.7210	\$6.0067	\$0
Over 60,000	0	0	0		\$0.0000	\$0.0000	\$5.7210	\$5.7210	\$0
DTs - Winter	133,892	0	133,892						
First 1,500	66,974	0	66,974		\$1.1141	\$0.6718	\$5.7210	\$7.5069	\$502,767
Next 1,500	22,543	0	22,543		\$0.7428	\$0.5569	\$5.7210	\$7.0207	\$158,268
Next 7,500	5,276	0	5,276		\$0.5571	\$0.8220	\$5.7210	\$7.1001	\$37,460
Next 16,500	0	0	0		\$0.3714	\$0.2818	\$5.7210	\$6.3742	\$0
Next 33,000	0	0	0		\$0.1857	\$0.0500	\$5.7210	\$5.9567	\$0
Over 60,000	0	0	0		\$0.0000	\$0.0000	\$5.7210	\$5.7210	\$0
DTs - Summer	94,793	0	94,793						
Large General Service - Transportation 213									
Bills	436			436	\$250.00			\$250.00	\$109,000
Demand DTs	86,612			86,612	\$5.0000	\$1.0000	\$0.0000	\$6.0000	\$519,672
Standby DTs				0	\$0.0000	\$13.0000	\$0.0000	\$13.0000	\$0
First 1,500	242,578	0	242,578		\$1.8569	\$0.5514	\$0.1210	\$2.5293	\$613,553
Next 1,500	171,616	0	171,616		\$1.2998	\$0.4393	\$0.1210	\$1.8601	\$319,223
Next 7,500	137,475	0	137,475		\$0.9285	\$0.3467	\$0.1210	\$1.3962	\$191,943
Next 16,500	77,701	0	77,701		\$0.5571	\$0.2818	\$0.1210	\$0.9599	\$74,585
Next 33,000	0	0	0		\$0.1857	\$0.1000	\$0.1210	\$0.4067	\$0
Over 60,000	0	0	0		\$0.0000	\$0.0000	\$0.1210	\$0.1210	\$0
DTs - Winter	629,370	0	629,370						
First 1,500	321,862	0	321,862		\$1.1141	\$0.5862	\$0.1210	\$1.8213	\$586,207
Next 1,500	171,046	0	171,046		\$0.7428	\$0.4741	\$0.1210	\$1.3379	\$228,842
Next 7,500	152,537	0	152,537		\$0.5571	\$0.4006	\$0.1210	\$1.0787	\$164,542
Next 16,500	61,063	0	61,063		\$0.3714	\$0.2542	\$0.1210	\$0.7466	\$45,590
Next 33,000	0	0	0		\$0.1857	\$0.0500	\$0.1210	\$0.3567	\$0
Over 60,000	0	0	0		\$0.0000	\$0.0000	\$0.1210	\$0.1210	\$0
DTs - Summer	706,508	0	706,508						

TST PD 3/31/2010

PIEDMONT NATURAL GAS COMPANY, INC.
PRO FORMA REVENUE CALCULATIONS

(dekatherms)	Test Period Actual	Normalized Adjustment	Proforma Dekatherms	Proforma Bills	Current Margin Rate	Current Demand Rate	Current Commodity Rate	Total Current Rates	Total Proforma Revenue
Rate Schedule	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Interruptible Service - Sales 204									
Bills	217			217	\$250.00			\$250.00	\$54,250
First 1,500	111,871	0	111,871		\$1.8569	\$1.6715	\$5.7210	\$9.2494	\$1,034,740
Next 1,500	66,358	0	66,358		\$1.2998	\$1.4743	\$5.7210	\$8.4951	\$563,718
Next 7,500	57,718	0	57,718		\$0.9285	\$1.3447	\$5.7210	\$7.9942	\$461,409
Next 16,500	11,802	0	11,802		\$0.5571	\$1.9514	\$5.7210	\$8.2295	\$97,125
Next 33,000	0	0	0		\$0.1857	\$1.0844	\$5.7210	\$6.9911	\$0
Over 60,000	0	0	0		\$0.0000	\$0.4000	\$5.7210	\$6.1210	\$0
DTs - Winter	247,749	0	247,749						
First 1,500	150,173	0	150,173		\$1.1141	\$0.8216	\$5.7210	\$7.6567	\$1,149,830
Next 1,500	74,813	0	74,813		\$0.7428	\$0.7049	\$5.7210	\$7.1687	\$536,312
Next 7,500	71,271	0	71,271		\$0.5571	\$0.6246	\$5.7210	\$6.9027	\$491,962
Next 16,500	0	0	0		\$0.3714	\$0.5506	\$5.7210	\$6.6430	\$0
Next 33,000	0	0	0		\$0.1857	\$0.2000	\$5.7210	\$6.1067	\$0
Over 60,000	0	0	0		\$0.0000	\$0.1000	\$5.7210	\$5.8210	\$0
DTs - Summer	296,257	0	296,257						
Interruptible Service - Transportation 214									
Bills	644			644	\$250.00			\$250.00	\$161,000
First 1,500	375,306	0	375,306		\$1.8569	\$0.5463	\$0.1210	\$2.5242	\$947,347
Next 1,500	334,039	0	334,039		\$1.2998	\$0.4329	\$0.1210	\$1.8537	\$619,208
Next 7,500	739,515	0	739,515		\$0.9285	\$0.3187	\$0.1210	\$1.3682	\$1,011,804
Next 16,500	279,895	0	279,895		\$0.5571	\$0.2080	\$0.1210	\$0.8861	\$248,015
Next 33,000	75,850	0	75,850		\$0.1857	\$0.1092	\$0.1210	\$0.4159	\$31,546
Over 60,000	0	0	0		\$0.0000	\$0.0000	\$0.1210	\$0.1210	\$0
DTs - Winter	1,804,605	0	1,804,605						
First 1,500	518,442	0	518,442		\$1.1141	\$0.5801	\$0.1210	\$1.8152	\$941,076
Next 1,500	386,147	0	386,147		\$0.7428	\$0.4591	\$0.1210	\$1.3229	\$510,834
Next 7,500	763,758	0	763,758		\$0.5571	\$0.3393	\$0.1210	\$1.0174	\$777,047
Next 16,500	255,660	0	255,660		\$0.3714	\$0.2189	\$0.1210	\$0.7113	\$181,851
Next 33,000	73,315	0	73,315		\$0.1857	\$0.2535	\$0.1210	\$0.5602	\$41,071
Over 60,000	10,886	0	10,886		\$0.0000	\$0.0000	\$0.1210	\$0.1210	\$1,317
DTs - Summer	2,008,208	0	2,008,208						
TOTAL INDUSTRIAL									
Bills	1,418			1,418					
Demand	110,145			110,145					
DTs	5,921,382	0	5,921,382						\$14,962,182
Outdoor Gaslight Service - Rate 205									
Fixtures	47	0	47		\$15.00			\$15.00	\$705
DTs - Winter	16	0	16						
DTs - Summer	22	0	22						
Annual Revenues From Special Contracts									\$ 2,979,358
TOTAL ALL RATE SCHEDULES									
TOTAL BILLS	1,563,806			1,563,806					
TOTAL WINTER DTs	12,940,993	(1,033,016)	11,907,977						
TOTAL SUMMER DTs	6,588,407	47,945	6,636,352						
ANNUAL TOTAL DTs	19,529,400	(985,071)	18,544,329						REVENUE \$ 171,271,615

SCHEDULE 9

TST PD 3/31/2010

PIEDMONT NATURAL GAS COMPANY, INC.
PROPOSED REVENUE CALCULATIONS

(dekatherms) Rate Schedule	Test Period Actual (1)	Normalized Adjustment (2)	Proforma Dekatherms (3)	Proforma Bills (4)	Current Margin Rate (5)	Current Demand Rate (6)	Current Commodity Rate (7)	Total Current Rates (8)	Total Proforma Revenue (9)
Residential Service - Value 201									
Bills - Winter	192,497			192,497	\$ 10.00			\$ 10.00	\$1,924,970
Bills - Summer	293,959			293,959	\$ 8.00			\$ 8.00	\$2,351,672
DTs - Winter	2,481,112	(259,148)	2,221,964		\$4.2939	\$0.2219	\$5.6991	\$10.2149	\$22,697,140
DTs - Summer	854,470	15,194	869,664		\$3.7945	\$0.2222	\$5.6991	\$9.7158	\$8,449,481
Residential Service - Standard 221									
Bills - Winter	394,595			394,595	\$ 10.00			\$ 10.00	\$3,945,950
Bills - Summer	513,726			513,726	\$ 8.00			\$ 8.00	\$4,109,808
DTs - Winter	3,837,633	(451,540)	3,386,093		\$4.2939	\$2.2905	\$5.6991	\$12.2835	\$41,593,073
DTs - Summer	736,436	30,533	766,969		\$3.7945	\$2.8064	\$5.6991	\$12.3000	\$9,433,719
<u>TOTAL RESIDENTIAL</u>									
Bills	1,394,777			1,394,777					
DTs	7,909,651	(664,961)	7,244,690						\$94,505,813
Small General Service - Standard 202									
Bills	118,205			118,205	\$ 22.00			\$ 22.00	\$2,600,510
DTs - Winter	1,941,525	(219,409)	1,722,116		\$3.4474	\$2.1043	\$5.6991	\$11.2508	\$19,375,183
DTs - Summer	323,456	(5,193)	318,263		\$3.3241	\$1.8571	\$5.6991	\$10.8803	\$3,462,797
Small General Service - Value 232									
Bills	48,251			48,251	\$ 22.00			\$ 22.00	\$1,061,522
First 200	1,058,277	(52,296)	1,005,981		\$3.4474	\$1.4776	\$5.6991	\$10.6241	\$10,687,643
Over 200	287,863	(14,226)	273,637		\$3.4474	\$1.1662	\$5.6991	\$10.3127	\$2,821,936
DTs - Winter	1,346,140	(66,522)	1,279,618						
First 200	1,042,558	(1,918)	1,040,640		\$3.3241	\$0.5987	\$5.6991	\$9.6219	\$10,012,934
Over 200	111,138	(204)	110,934		\$3.3241	\$0.3144	\$5.6991	\$9.3376	\$1,035,857
DTs - Summer	1,153,696	(2,122)	1,151,574						
Medium General Service - Standard 252									
Bills	138			138	\$ 75.00			\$ 75.00	\$10,350
DTs - Winter	84,750	(10,883)	73,867		\$3.4474	\$1.8502	\$5.6991	\$10.9967	\$812,293
DTs - Summer	11,588	929	12,517		\$3.3241	\$1.5273	\$5.6991	\$10.5505	\$132,061
Medium General Service - Value 262									
Bills	992			992	\$ 75.00			\$ 75.00	\$74,400
First 500	182,384	(10,811)	171,573		\$3.4474	\$1.1332	\$5.6991	\$10.2797	\$1,763,719
Over 500	248,057	(14,703)	233,354		\$3.4474	\$0.7764	\$5.6991	\$9.9229	\$2,315,548
DTs - Winter	430,441	(25,514)	404,927						
First 500	236,780	5,061	241,841		\$3.3241	\$0.2867	\$5.6991	\$9.3099	\$2,251,516
Over 500	165,725	3,543	169,268		\$3.3241	\$0.0283	\$5.6991	\$9.0515	\$1,532,129
DTs - Summer	402,505	8,604	411,109						

TST PD 3/31/2010

PIEDMONT NATURAL GAS COMPANY, INC.
PROPOSED REVENUE CALCULATIONS

(dekatherms) Rate Schedule	Test Period Actual (1)	Normalized Adjustment (2)	Proforma Dekatherms (3)	Proforma Bills (4)	Current Margin Rate (5)	Current Demand Rate (6)	Current Commodity Rate (7)	Total Current Rates (8)	Total Proforma Revenue (9)
Small General Service - Motor Fuel 242									
Bills	25			25	\$ 22.00			\$ 22.00	\$550
DTs - Winter	3,760		3,760		\$1.2312	\$1.3764	\$5.6991	\$8.3067	\$31,233
DTs - Summer	468		468		\$1.2312	\$1.0323	\$5.6991	\$7.9626	\$3,726
<u>TOTAL COMMERCIAL</u>									
Bills	167,611			167,611					
DTs	5,698,329	(320,110)	5,378,219						\$59,985,907
Large General Service - Sales 203									
Bills	121			121	\$ 250.00			\$ 250.00	\$30,250
Demand DTs	23,533	0		23,533	\$5.0000	\$12.9843	\$0.0000	\$17.9843	\$423,225
First 1,500	67,227	0	67,227		\$1.8569	\$0.8067	\$5.6991	\$8.3627	\$562,199
Next 1,500	39,386	0	39,386		\$1.2998	\$0.6569	\$5.6991	\$7.6558	\$301,531
Next 7,500	27,279	0	27,279		\$0.9285	\$0.6306	\$5.6991	\$7.2582	\$197,996
Next 16,500	0	0	0		\$0.5571	\$0.2818	\$5.6991	\$6.5380	\$0
Next 33,000	0	0	0		\$0.1857	\$0.1000	\$5.6991	\$5.9848	\$0
Over 60,000	0	0	0		\$0.0000	\$0.0000	\$5.6991	\$5.6991	\$0
DTs - Winter	133,892	0	133,892						
First 1,500	66,974	0	66,974		\$1.1141	\$0.6394	\$5.6991	\$7.4526	\$499,130
Next 1,500	22,543	0	22,543		\$0.7428	\$0.5217	\$5.6991	\$6.9636	\$156,980
Next 7,500	5,276	0	5,276		\$0.5571	\$0.7418	\$5.6991	\$6.9980	\$36,921
Next 16,500	0	0	0		\$0.3714	\$0.2818	\$5.6991	\$6.3523	\$0
Next 33,000	0	0	0		\$0.1857	\$0.0500	\$5.6991	\$5.9348	\$0
Over 60,000	0	0	0		\$0.0000	\$0.0000	\$5.6991	\$5.6991	\$0
DTs - Summer	94,793	0	94,793						
Large General Service - Transportation 213									
Bills	436			436	\$ 250.00			\$ 250.00	\$109,000
Demand DTs	86,612			86,612	\$5.0000	\$0.9652	\$0.0000	\$5.9652	\$516,658
Standby DTs				0	\$0.0000	\$12.0191	\$0.0000	\$12.0191	\$0
First 1,500	242,578	0	242,578		\$1.8569	\$0.5416	\$0.0991	\$2.4976	\$605,863
Next 1,500	171,616	0	171,616		\$1.2998	\$0.4316	\$0.0991	\$1.8305	\$314,143
Next 7,500	137,475	0	137,475		\$0.9285	\$0.3382	\$0.0991	\$1.3658	\$187,763
Next 16,500	77,701	0	77,701		\$0.5571	\$0.2777	\$0.0991	\$0.9339	\$72,565
Next 33,000	0	0	0		\$0.1857	\$0.1000	\$0.0991	\$0.3848	\$0
Over 60,000	0	0	0		\$0.0000	\$0.0000	\$0.0991	\$0.0991	\$0
DTs - Winter	629,370	0	629,370						
First 1,500	321,862	0	321,862		\$1.1141	\$0.5693	\$0.0991	\$1.7825	\$573,719
Next 1,500	171,046	0	171,046		\$0.7428	\$0.4574	\$0.0991	\$1.2993	\$222,240
Next 7,500	152,537	0	152,537		\$0.5571	\$0.3843	\$0.0991	\$1.0405	\$158,715
Next 16,500	61,063	0	61,063		\$0.3714	\$0.2447	\$0.0991	\$0.7152	\$43,672
Next 33,000	0	0	0		\$0.1857	\$0.0500	\$0.0991	\$0.3348	\$0
Over 60,000	0	0	0		\$0.0000	\$0.0000	\$0.0991	\$0.0991	\$0
DTs - Summer	706,508	0	706,508						

TST PD 3/31/2010

PIEDMONT NATURAL GAS COMPANY, INC.
PROPOSED REVENUE CALCULATIONS

(dekatherms)	Test Period Actual (1)	Normalized Adjustment (2)	Proforma Dekatherms (3)	Proforma Bills (4)	Current Margin Rate (5)	Current Demand Rate (6)	Current Commodity Rate (7)	Total Current Rates (8)	Total Proforma Revenue (9)
Rate Schedule									
Interruptible Service - Sales 204									
Bills	217			217	\$ 250.00			\$ 250.00	\$54,250
First 1,500	111,871	0	111,871		\$1.8569	\$1.5708	\$5.6991	\$9.1268	\$1,021,024
Next 1,500	66,358	0	66,358		\$1.2998	\$1.3587	\$5.6991	\$8.3576	\$554,594
Next 7,500	57,718	0	57,718		\$0.9285	\$1.1560	\$5.6991	\$7.7836	\$449,254
Next 16,500	11,802	0	11,802		\$0.5571	\$1.7274	\$5.6991	\$7.9836	\$94,222
Next 33,000	0	0	0		\$0.1857	\$1.0844	\$5.6991	\$6.9692	\$0
Over 60,000	0	0	0		\$0.0000	\$0.4000	\$5.6991	\$6.0991	\$0
DTs - Winter	247,749	0	247,749						
First 1,500	150,173	0	150,173		\$1.1141	\$0.7846	\$5.6991	\$7.5978	\$1,140,984
Next 1,500	74,813	0	74,813		\$0.7428	\$0.6611	\$5.6991	\$7.1030	\$531,397
Next 7,500	71,271	0	71,271		\$0.5571	\$0.5630	\$5.6991	\$6.8192	\$486,011
Next 16,500	0	0	0		\$0.3714	\$0.5506	\$5.6991	\$6.6211	\$0
Next 33,000	0	0	0		\$0.1857	\$0.2000	\$5.6991	\$6.0848	\$0
Over 60,000	0	0	0		\$0.0000	\$0.1000	\$5.6991	\$5.7991	\$0
DTs - Summer	296,257	0	296,257						
Interruptible Service - Transportation 214									
Bills	644			644	\$ 250.00			\$ 250.00	\$161,000
First 1,500	375,306	0	375,306		\$1.8569	\$0.5390	\$0.0991	\$2.4950	\$936,388
Next 1,500	334,039	0	334,039		\$1.2998	\$0.4280	\$0.0991	\$1.8269	\$610,256
Next 7,500	739,515	0	739,515		\$0.9285	\$0.3161	\$0.0991	\$1.3437	\$993,686
Next 16,500	279,895	0	279,895		\$0.5571	\$0.2067	\$0.0991	\$0.8629	\$241,521
Next 33,000	75,850	0	75,850		\$0.1857	\$0.1089	\$0.0991	\$0.3937	\$29,862
Over 60,000	0	0	0		\$0.0000	\$0.0000	\$0.0991	\$0.0991	\$0
DTs - Winter	1,804,605	0	1,804,605						
First 1,500	518,442	0	518,442		\$1.1141	\$0.5675	\$0.0991	\$1.7807	\$923,190
Next 1,500	386,147	0	386,147		\$0.7428	\$0.4494	\$0.0991	\$1.2913	\$498,632
Next 7,500	763,758	0	763,758		\$0.5571	\$0.3331	\$0.0991	\$0.9893	\$755,586
Next 16,500	255,660	0	255,660		\$0.3714	\$0.2156	\$0.0991	\$0.6861	\$175,408
Next 33,000	73,315	0	73,315		\$0.1857	\$0.2528	\$0.0991	\$0.5376	\$39,414
Over 60,000	10,886	0	10,886		\$0.0000	\$0.0000	\$0.0991	\$0.0991	\$1,079
DTs - Summer	2,008,208	0	2,008,208						
TOTAL INDUSTRIAL									
Bills	1,418			1,418					
Demand	110,145			110,145					
DTs	5,921,382	0	5,921,382						\$14,710,328
Outdoor Gaslight Service - Rate 205									
Fixtures	47	0	47		\$ 15.00			\$ 15.00	\$705
DTs - Winter	16	0	16						
DTs - Summer	22	0	22						
Annual Revenues From Special Contracts									\$ 2,979,358
TOTAL ALL RATE SCHEDULES									
TOTAL BILLS	1,563,806			1,563,806					
TOTAL WINTER DTs	12,940,993	(1,033,016)	11,907,977						
TOTAL SUMMER DTs	6,588,407	47,945	6,636,352						
ANNUAL TOTAL DTs	19,529,400	(985,071)	18,544,329						REVENUE \$ 172,182,111

SCHEDULE 10

Piedmont Natural Gas Company, Inc.
 South Carolina
 RSA period ending March 31, 2010

SCHEDULE 10

WNA Factors

	Base Rate (\$/therms)	Demand (\$/therms)	Commodity	"R" Value (\$/therms)	Heat Factor (therms/DDD)	Base Factor (therms/mo.)
Residential						
Value Rate - 201	1.02149	0.02219	0.57210	0.42720	0.18290	17.00334
Standard Rate - 221	1.22835	0.22905	0.57210	0.42720	0.15118	4.37544
Commercial						
Rate 202 - Std	1.12508	0.21043	0.57210	0.34255	0.63898	2.11807
Rate 232 - Val						
First 2,000 therms	1.06241	0.14776	0.57210	0.34255	0.49051	374.06997
Over 2,000 therms	1.03127	0.11662	0.57210	0.34255	0.49051	374.06997
Rate 252 - Std	1.09967	0.18502	0.57210	0.34255	22.42185	85.26368
Rate 262 - Val						
first 5,000 therms	1.02797	0.11332	0.57210	0.34255	6.57808	6513.03138
over 5,000 therms	0.99229	0.07764	0.57210	0.34255	6.57808	6513.03138

CERTIFICATE OF SERVICE

The undersigned hereby certifies that five copies of the attached Notice are being served this date via email and overnight delivery upon:

Office of Regulatory Staff
C. Lessie Hammonds
Jeffrey M. Nelson
1441 Main Street
Suite 300
Columbia, South Carolina 29201
lhammon@regstaff.sc.gov
jnelson@regstaff.sc.gov

And that one copy of the attached Notice is being served this date on the other parties to this proceeding by U.S. Mail addressed as follows:

Scott Elliott
South Carolina Energy Users Committee
Elliott & Elliott, P.A.
721 Olive Street
Columbia, South Carolina 29205

This the 15th day of June, 2010.

s/ James H. Jeffries IV
James H. Jeffries IV